



Office of the
Healthcare
Advocate

STATE OF CONNECTICUT

**Testimony of Victoria Veltri
Acting Healthcare Advocate
Before the General Law Committee
In Opposition to Sections 44-51 of HB 6389
March 8, 2011**

Good afternoon Senator Doyle, Representative Taborsak, Senator Witkos, Representative Rebimbas and the members of the General Law Committee. For the record, I am Victoria Veltri, the Acting Healthcare Advocate. The mission of the independent, non-partisan Office of the Healthcare Advocate (OHA) is three-fold: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

The Office of the Healthcare Advocate was created as an independent state agency by you, the Legislature, in 1999 in a bipartisan vote as part of the much larger Managed Care Accountability Act. While we have made strides together to protect consumers over the years, the job is far from finished. The insurance market is more confusing than ever; fewer employers and individuals can find coverage that is meaningful and affordable; and, the denials get more troubling every day.

I testify in opposition to sections 44-51 of HB 6389, the Governor's budget proposal to merge the Office of the Healthcare Advocate into the Department of Consumer Protection (DCP). Such a move, while it may have been well intended, will prevent OHA from achieving its missions as a healthcare policy advocate and watchdog for Connecticut's healthcare consumers, and does not achieve any savings or increase efficiencies.

While there are components to OHA's mission that are consumer protection related, OHA is involved in complex health insurance appeals and real-time advocacy that require close proximity to the insurance regulator. Being co-located at the Insurance Department helps consumers. OHA's success in returning \$5.7 million to consumers this year could not be matched if it is removed from its proximity to the Insurance Department and its resources.

Loss of Independence

Our major concern with the proposal is that it eliminates the independence of OHA. For OHA to fulfill its mission to protect consumers and advocate for their interests, it must remain independent, not placed within an executive branch agency. There are at least four reasons why the independence of OHA should be maintained:

- **OHA acts as an independent government watchdog over existing state programs and insurers that offer healthcare services;**
- **OHA independently proposes legislation and conducts healthcare policy efforts based solely on the best interests of Connecticut's healthcare consumers;**
- **OHA must be free to maintain independent federal healthcare policy work consistent with its mission to evaluate the impact of federal laws and regulations on Connecticut's healthcare consumer, and;**
- **OHA must maintain its independent governmental power to engage directly with managed care entities to resolve complicated individual and systemic issues.**

First OHA was designed to be and must continue to be free to critique decisions of other state entities that might negatively impact healthcare consumers. OHA's watchdog status is the core of its mission. Putting the office in the position of having to request permission of an executive branch agency to assert the rights of consumers undercuts the core of the office, but that is what HB 6389 does. Our authority also requires the cooperation of other state agencies.

Second, OHA, under statute, develops healthcare policy and makes legislative and regulatory recommendations in the interests of consumers, even if those interests do not align with an executive branch agency and that agency's policies. This important and unique role could not be exercised from within DCP. OHA's sole duty is to healthcare consumers.

Third, under statute, OHA engages in federal healthcare policy advocacy on behalf of Connecticut's consumers. Our independent governmental authority garners respect from our congressional delegation, consumers, national healthcare advocacy organizations and consumer assistance programs around the country. At the request of congressional officials, OHA staff participated directly in negotiations on the final language of the Wellstone-Domenici Mental Health Parity Act in order to ensure that strong state mental health parity laws were not jeopardized. We also were asked to provide expertise and support for congressional investigations into the proliferation of the often egregious process of postclaims underwriting. OHA recently received a \$396,400 grant from the U.S. Department of Health and Human Services in 2010 in part because of its status as a national model independent consumer advocacy state agency. This grant could be jeopardized if OHA is merged with DCP.

Fourth, the weight of OHA's independent authority allows OHA to resolve complex systemic issues with managed care companies and allows us to reach settlements of disputes on behalf of consumers. Companies understand that OHA is a governmental entity that exercises independent authority to protect healthcare consumers without the need to request additional authority to resolve conflicts. That authority allows us to raise and resolve systemic consumer and provider concerns that while they are non-regulatory, and therefore, would not be the subject of intervention by a regulator, would nevertheless impede access to care or result in liability to consumers.

The OHA, as a consumer advocate, ensures that health insurance companies meet their contractual obligations and that they pay for the medically necessary, sometimes life-saving, treatment patients need. We help patients and providers to build and document the case for medical necessity, and it is based on that information that denials are reversed on appeal. DCP is a regulator. The legislature had the wisdom to not locate OHA in the insurance regulator's office. Locating OHA within another regulator equally makes no sense. DCP and the Insurance Department, as regulators handle issues with an eye toward whether an entity may have broken the law. Our vision is broader. We have a specialized form of real time advocacy that has at its core, getting consumers the medically necessary healthcare and insurance coverage they need. We are unique by design and in action—our advocacy is active, quick, non bureaucratic, and does not fit into a regulatory framework.

OHA's independence has allowed us to successfully advocate for, among other items: a separation of the HUSKY networks from Charter Oak when it appeared that HUSKY access might be jeopardized by providers' reluctance to participate in Charter Oak; codification of the definition of medical necessity; protections for consumers from unwarranted rescissions of their insurance policies; elimination of an archaic insurance rule that required individuals to be hospitalized for three days prior to receiving medically necessary mental health care; public accountability in the health insurance rate review process through representation of consumers at hearings and our legislative efforts; and protections for consumers under the Affordable Care Act, such as better protections and rights under the external appeal process than originally proposed in regulation by HHS. OHA is sought out for its independent expertise in health consumer matters; we co-chaired the Sustinet Board of Directors, have led multiple national advocacy calls and participated in multiple national conferences as featured speakers on health policy issues.

HB 6389 also clearly does away with the independence of the office by installing a health care advocate appointed by the commissioner of consumer protection instead of the independent route used now to appoint the healthcare advocate. (Under current law, the Governor picks the Healthcare Advocate from a list developed by OHA's advisory committee, a process that is similarly used to appoint all independent agency heads.)

OHA has unique roles vis-à-vis health insurance. For ten years, OHA has been successfully involved in complicated issues around appeals, insurance plan selection and systemic advocacy. These issues require dedicated referral lines and service. We have dedicated telephone lines and materials that are already ensconced with providers, employers and consumers around the state. Our website is an independent resource for

healthcare consumer news and managed care information for providers, consumers and businesses alike. Providers and consumers know how to reach us. A relocation of our office into DCP would require a massive and expensive re-education campaign to direct people to a different office. It would also raise issues, as the language of HB 6389 does, around HIPAA privacy protections—OHA already has a database that is HIPAA compliant and protects private healthcare information and limits its disclosure to the small staff of OHA. DCP is not equipped to handle HIPAA-involved cases.

Finally, the independent Commission on Health Equity is housed in OHA for administrative purposes only. It must maintain its independence to function as intended, and should not be merged into the DCP.

We engage daily in independent healthcare policy work and advocacy and could not maintain our excellent level of systemic and direct consumer advocacy if we were forced to surrender our independent status.

No Savings or Increased Efficiencies

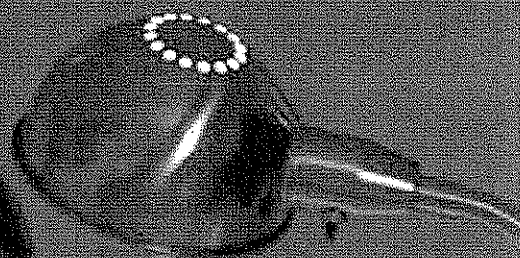
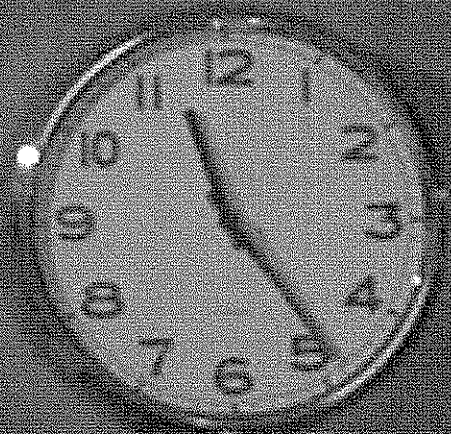
OHA is funded out of the Insurance Fund. The Insurance Fund, as you know, is created based on an assessment on insurance companies. Merging OHA with DCP does not save the state any general fund dollars, but, unfortunately compromises our mission. Further, no additional efficiencies would be obtained through a merger. (One of the rationales for the consolidation proposal is to reduce back office expenses.) OHA already achieves optimal efficiencies by being housed in the Insurance Department for administrative purposes only. OHA uses the resources of the Insurance Department to assist with our work, including among other items, equipment and technology, physical premises, fiscal and personnel support, and insurance materials such as rate filings, managed care reported data and other information. OHA also has a productive working relationship with staff at the Insurance Department. The Department refers self-insured cases to our office for independent advocacy work. Our proximity to the Insurance Department is critical.

The Governor's budget proposal reduces the number of staff to seven. This reduction will not save the state and its taxpayers a single penny. It will only put money back into the pockets of the insurance companies. OHA has eight staff currently and needs every one of them. We are budgeted for ten positions. (We have tried to refill one other position unsuccessfully and the other is the Healthcare Advocate's position. Both are critical to the office's operation.) Additionally, one staff person is dedicated to the Connecticut Commission on Health Equity, which is housed in OHA for administrative purposes only, while seven are devoted directly to OHA.

This proposed merger is ill advised substantively and fiscally, and I urge you to reject it. I hope that now that you know how critical OHA's independence is to its every day functioning, and that OHA is already an efficient operation, that you will reject the proposal of HB 6389 to merge OHA into another agency that will compromise its mission.

Finally, over the last five years, while our budget has remained relatively flat at approximately \$1 million, we have recovered \$26 million for the residents of Connecticut. Our success as an independent state agency has made us a national model for consumer assistance programs around the country. Connecticut can be proud of this recognition. We hope to remain that independent national model that continues to serve Connecticut's consumers with excellence.

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OHA

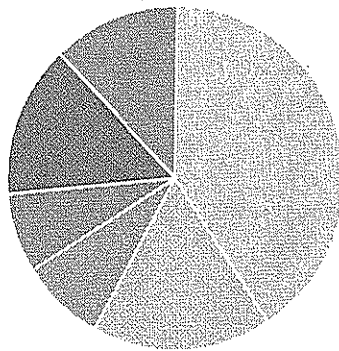
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No hay ayuda. Llame 1.866.HMO.4446

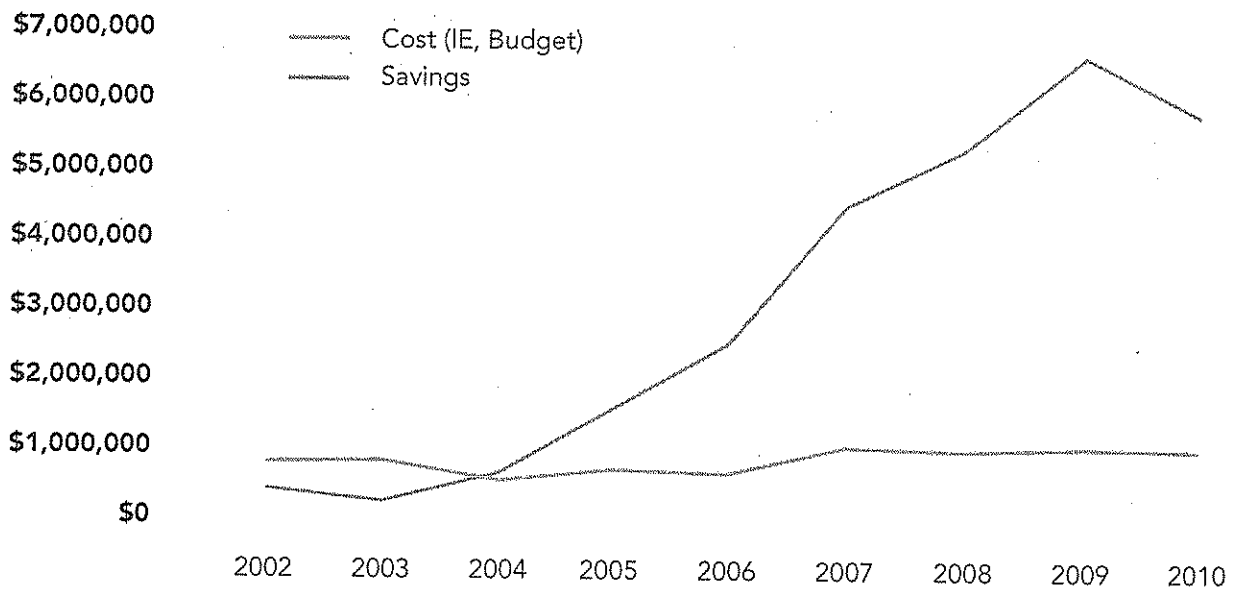
Un servicio libre de costo del Estado de Connecticut.

Cases by Carrier - Highest Frequency



Wellpoint	469
Aetna	200
ConnectiCare	92
HealthNet	86
United Health Care/Oxford	168
CIGNA	138

2010 Agency Cost vs Consumer Savings



	Cases Closed	Savings
2002	643	\$410,294.00
2003	546	\$205,665.00
2004	731	\$531,823.00
2005	1,468	\$1,487,895.00
2006	1,480	\$2,514,825.00
2007	1,702	\$4,391,353.00
2008	1,989	\$5,191,613.56
2009	2,613	\$6,578,895.00
2010	2,119	\$5,664,905.23
Total	13,291	\$26,977,268.79

Top Complaints by Issue - 2010 Compared to Previous Years

	2010	2009	2008	2007	2006
Denied Service/Treatment	374	510	232	274	286
Education/Counseling	362	356	127	142	136
Billing Problem	138	265	177	119	115
Enrollment/Eligibility	228	254	147	176	118
Benefit Design	94	118	92	85	107
Service Not Covered	90	81	69	51	63
Denial of Claim	64	102	96	86	75
Other (Client)	136	141	225	168	96
Delay of Care (Client)	84	117	44	28	12

Referral Source - Highest Frequency

